

No Securities Commission or similar authority in Canada has in any way passed upon the merits of the Securities offered hereunder and any representation to the contrary is an offence.

These Securities are offered by this Prospectus only in jurisdictions where these Securities may be lawfully offered.

None of these Securities will be offered for sale in the Province of Ontario.

AR19

**Prospectus of
Canuc Mines Limited**
(incorporated under the laws of Ontario)

Dated November 11, 1969

New Issue

<u>No. of Shares</u>	<u>Price per Share</u>	<u>Commission payable per Share</u>	<u>Net Amount to be received by the Company per Share</u>	<u>Net Amount to be received by the Company in total if all the shares offered hereby are sold</u>
175,000	\$2.00	.30	\$1.70	\$297,500

Holland, Andrews, Perrier & Co. Ltd., as agent of the Company, offers these shares subject to prior sale, if, as and when received and accepted by it and subject to approval of legal matters. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

The gross proceeds derived from this offering shall be deposited in trust with The Royal Trust Company to be held until subscriptions for at least 150,000 shares have been received and paid for to provide the treasury of the Company with a net amount of \$255,000 and no share certificates shall be issued and delivered until then. If this amount is not reached within ninety days of the date hereof all the funds then received shall be reimbursed to the subscribers and the offering discontinued.

Purpose of Offering

The Company intends to use the funds received by it from the sale of the shares offered hereby for exploration and development of the Company's mining properties in the Elliot Lake area of the Province of Ontario as recommended by its Consulting Engineer and more particularly set out under the headings "Mining Properties" and "Use of Proceeds".

Secondary Offering


Up to 100,000 shares may be offered for sale to the public through Holland, Andrews, Perrier & Co. Ltd., at the market price prevailing from time to time, the proceeds of which will accrue to R. D. A. Wills (see heading "Principal Holders of Securities"). None of these 100,000 shares will be offered until the "new issue" mentioned above of 175,000 shares has been sold.

The Shares offered hereby are Speculative

At present there is no market for the shares of the Company. The Company has made Application to the Canadian Stock Exchange for listing of its shares. Acceptance for listing has been given subject to filing of evidence of satisfactory distribution within 90 days.



HOLLAND, ANDREWS, PERRIER & CO. LTD.
Stock Exchange Tower — Place Victoria,
Montreal 115, Quebec



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The Company

Canuc Mines Limited (herein referred to as the "Company") was incorporated under the laws of the Province of Ontario by letters patent dated November 3, 1965 under the name Franco Canadian Mining Company Limited. The head and principal office of the Company is located at the 13th Floor, 320 Bay Street, Toronto, Ontario. The Company remained inactive until July, 1967. During July, 1967, 175,297 shares of the Company were issued for an aggregate consideration of \$35,027.00 in cash and under an agreement dated July 6, 1967, the Company purchased from Frank Horne, Number 12 Algom Quirk Mine, Elliot Lake, Ontario, Roy Pountney, Algom Nordic Mine, Elliot Lake, Ontario, John Bernreitner, Algom Nordic Mine, Elliot Lake, Ontario, Manfred Johnson, Box 108, Sudbury, Ontario, and Peter Spada, 706-555 West 28th Street North, Vancouver, British Columbia, 20 mining claims in Township 150 of the Sudbury mining division of the Province of Ontario for the sum of \$54,000.00 payable in instalments and a royalty of 1% of the value of uranium produced from the mining claims; in addition, annual payments of \$12,500 are required under this agreement commencing August 15, 1972 and continuing until the Company commences commercial mining operations or relinquishes the mining claims; at such time as the said royalty of 1% becomes payable the amount of any such annual payments that have been made will be applied to reduce the said royalty payable.

By supplementary letters patent dated September 20, 1967, the name of the Company was changed to its present name and the Company was converted from a public company into a private company. During September, 1967, 300,000 shares of the Company were issued for the sum of \$60,000.00 in cash and the subscriber for such shares was granted options to purchase 300,000 shares of the Company on or before September 1, 1968 at \$0.25 per share, 200,000 shares of the Company on or before September 1, 1969 at \$0.50 per share and 200,000 shares of the Company on or before September 1, 1970 at \$1.00 per share. Such options were subsequently assigned as to 90% to Gemico A. G. and as to 10% to Richard Dawson Azerly Wills.

Under an agreement dated September 25, 1967, the Company purchased from Lloyd T. Chandler of 10 Chemin Simplemont, Lausanne, Switzerland, 306 mining claims in the Elliot Lake area of the Province of Ontario and 36 mining claims in the Bancroft area of the Province of Ontario in consideration for 750,000 shares of the Company valued at 20¢ per share and a royalty of at least 3% on all ores produced from the claims. The amount of the royalty is increased if the average selling price of uranium exceeds \$8.00 in U.S. funds per pound of contained uranium oxide (U_3O_8) and the maximum amount of the royalty is 9% if the average selling price is in excess of \$13.00 in U.S. funds per pound of contained uranium oxide (U_3O_8); in addition, annual payments equal to the difference between \$50,000 and the total royalty payable in any one year are required under this agreement commencing with the year 1975 and continuing until the total royalty payable in any one year equals or exceeds \$50,000 or until the Company relinquishes the mining claims; at such time as the royalty becomes payable the Company is entitled to retain the amount of the royalty in excess of \$50,000 until such time as the amount or amounts retained equal the total of all annual payments made. Mr. Chandler subsequently assigned and transferred his rights under the agreement dated September 25, 1967 between him and the Company to Brian B. Scott and Gemico A.G., a company in which he has a greater than 5% interest. Under an instrument dated August 25, 1969 Gemico A.G. and Brian B. Scott released to the Company the Royalty Interest reserved to the vendor of the Bancroft area mining claims sold to the Company under the said agreement dated September 25, 1967 in consideration for the Company agreeing to pay Gemico A.G. and Brian B. Scott ten percent of the net proceeds, purchase price or other consideration received by the Company for or in respect of such mining claims.

During the 1968 year of the Company, 155,340 shares were issued for \$1.00 per share in cash and the Company paid commission in respect of the subscriptions for such shares at the rate of 25% of the subscription price and such commission was paid as to \$23,301.00 in cash and as to \$15,534.00 by the Company issuing

shares valued at \$1.00 per share. The Company issued 10,700 treasury shares in November, 1968 at \$1.00 per share.

By supplementary letters patent dated March 3, 1969, the Company was converted into a public company and its authorized capital was increased from 3,000,000 shares to 5,000,000 shares so that the authorized capital of the Company is now \$5,000,000.00 divided into 5,000,000 shares with a par value of \$1.00 each.

Mining Properties

Elliot Lake Area

The Company now has 255 mining claims in the Elliot Lake area of the Province of Ontario. The Elliot Lake area is located approximately half way between the Cities of Sudbury and Sault Ste. Marie and to the north of Highway No. 17. The mining claims of the Company in the Elliot Lake area are grouped for the purposes hereof as the 43 claims in Township 150, the 169 mining claims in Townships 137 and 138 and the 43 mining claims in Township 155.

The mining claims of the Company in Township 150 are on the south side of the mining property of Denison Mines Limited and access to them is available by Highway No. 108. The Company has 43 contiguous unpatented mining claims in Township 150 which are of irregular size and have not been surveyed. The Company deepened one hole on these mining claims through to the basement rocks on the easternmost claim. At a depth of approximately 3,640 feet in the drill hole an intersection of 6.4 feet assayed 1.59 pounds of uranium oxide and within such 6.4 feet an intersection of 5 feet assayed 1.86 pounds of uranium oxide. An intersection of 11.4 feet at a depth from 3,752.4 feet to 3,763.8 feet assayed 1.13 pounds of uranium oxide and the lower 5 feet of such 11.4 feet assayed 2.01 pounds of uranium oxide.

Prior to drilling the hole mentioned in the previous paragraph, which is known as the Big Joe Hole, the Company shared with Kerr-McGee Corporation the cost of drilling a joint drill hole near the east limit of the south boundary of this group of mining claims but that drill hole did not intersect a significant amount of uraniferous material.

It is understood that previous owners of these mining claims in Township 150 drilled a number of holes but that such holes were drilled for assessment work purposes and that none of them were deep enough to intersect the potential ore-bearing horizons.

The exploration expenditures of the Company on its Township 150 mining claims amount to approximately \$69,700 to August 31, 1969.

The Company has 169 contiguous mining claims of irregular size in Townships 137 and 138 in the Elliot Lake area and access to them is available from Highway 553 which leads north from the Village of Spanish to Whiskey Lake, a distance of about 25 miles. Some diamond drilling was carried out on these mining claims by previous owners and some of the drill holes were of sufficient depth to intersect the potential uraniferous conglomerate beds. Some uraniferous conglomerates were intersected; however, the intersections were not economic. Most of this earlier drilling was around the southern limits of the Company's group of mining claims.

The Company drilled a joint drill hole in conjunction with Kerr-McGee Corporation in the northwest corner of the mining claims of the Company in Townships 137 and 138. The structural information obtained from this hole was encouraging but no significant amounts of uraniferous material were intersected. The Company has recently completed drilling a hole to the southeast of the joint drill hole; this hole is located between the joint drill hole and a zone known as Whiskey Lake Trough. The Whiskey Lake Trough was located by drilling several

years ago and apparently contains uneconomic uraniferous material. The hole did not cut anything of significance as the favourable horizon was largely cut out by diabase dikes.

The exploration expenditures of the Company on its Township 137 and 138 mining claims amount to approximately \$53,400 to August 31, 1969.

The Company has 43 mining claims in Township 155 in the Elliot Lake area and access to them is available from Highway 108 approximately 2 miles to the east. Previous diamond drilling on some of these mining claims intersected uraniferous conglomerates of marginal to sub-marginal grade. The Consulting Engineer of the Company has recommended that these mining claims be allowed to lapse and the Company has decided to accept this recommendation.

The exploration expenditures of the Company on its Township 155 mining claims amount to not more than \$1,000 to August 31, 1969.

The Consulting Engineer of the Company, namely, Leonard J. Cunningham, B.Sc., P.Eng., 1 McPhee Avenue, Kirkland Lake, Ontario, has prepared a report dated August 21, 1969 on the mining claims of the Company in the Elliot Lake area and has recommended an exploration programme which the Company proposes to carry out on such mining claims. Mr. Cunningham estimated the costs of the recommended exploration programme as follows:

In Township 150	
Three holes of 4,000 feet each at \$15.00 per foot	\$180,000
In Townships 137 and 138	
Balance of hole currently drilling 2,000 feet	30,000
One hole of 4,000 feet	60,000
	<u>\$270,000</u>

A copy of such report of Mr. Cunningham is available for inspection at the offices of the Company and the offices of Holland, Andrews, Perrier & Co. Ltd., Suite 2425, Stock Exchange Tower, Place Victoria, Montreal, Quebec. In the event that the Company does not have sufficient funds to carry out the complete exploration programme recommended by its Consulting Engineer, it is presently proposed that priority be given to the necessary assessment work and surveys to maintain in good standing and to ultimately bring to lease the mining claims of the Company in Township 150 and Townships 137 and 138 of the Elliot Lake area.

The Company proposes to continue its diamond drilling in Townships 137 and 138 and to drill additional holes in Township 150 to the west of the Big Joe Hole which obtained the uraniferous intersections above-mentioned.

Bancroft Area

The Company now has 34 contiguous unpatented mining claims of the 36 mining claims it acquired in the Monmouth and Cardiff Townships of the Province of Ontario, two non-contiguous claims having been allowed to lapse. These claims are located approximately 4½ miles south easterly of the village of Wilberforce and are readily accessible from Highway No. 35 from the west and by Highway No. 28 from the east. The diamond drilling programme of these mining claims in 1955 by Empire Oil & Minerals Inc., indicated two zones and the Consulting Geologist, Mr. Herbert Parliament of Geo-Technical Development Company Limited, in his report dated November 7, 1955, said that estimates indicate a possible 1,070 tons per vertical foot averaging 0.077% U₃O₈. The Company drilled an additional 5 holes on these mining claims in 1968 but did not prove up any ore grade material in this

drilling. The Company is considering entering into an agreement with another mining company active in the Bancroft area on a basis whereby the other company could earn an interest of 51% in the Bancroft area mining claims if it expends \$50,000.00 in exploration work on the mining claims. The mining claims contain approximately 1,400 acres.

The exploration expenditures of the Company on its mining claims in Monmouth and Cardiff Townships amount to approximately \$13,350.00 to August 31, 1969.

All the claims are held under mining licence. Sufficient work has been done on all the claims to maintain them in good standing, except for the claims in Township 155. The claims that will be brought to lease will depend upon the results of future exploration.

There has been no change in the actual control of the Company during the carrying out of the exploration programme mentioned above.

Description of Shares

The capital stock of the Company consists of one class of shares with a par value of \$1.00 each. The holders of the shares are entitled to one vote at all meetings of shareholders of the Company for each share held, are entitled to such dividends as the directors may from time to time declare and to share equally, share for share, on liquidation or distribution of the assets of the Company. No pre-emptive rights are attached to the shares. The shares offered hereby will be fully paid and non-assessable. There are no provisions for modification, amendment or variation of the rights of shareholders.

Capitalization

	Authorized July 15, 1969	Outstanding July 15, 1969	Outstanding October 15, 1969	Outstanding if all securities offered hereby are sold
Shares of \$1.00 par value	5,000,000 (\$5,000,000)	1,406,874* (\$426,604)	1,406,874* (\$426,604)	1,581,874* (\$776,604)
Long-term debt	\$29,000	\$29,000	\$4,000	\$4,000

*Of which 15,534 shares were issued in payment of commissions.

Plan of Distribution

Pursuant to a letter dated July 15, 1969, Holland, Andrews, Perrier & Co. Ltd., of Suite 2425, Stock Exchange Tower, Place Victoria, Montreal, Quebec, have agreed to offer for sale the 175,000 shares offered by this prospectus on a best effort basis at a price of \$2.00 per share to the public. The Company has agreed to bear the expense of preparing and filing a prospectus and in due course to prepare and file an application for listing the shares of the Company on the Canadian Stock Exchange. The Company is to receive \$1.70 for each share sold to the public at a price of \$2.00 per share.

The gross proceeds derived from this offering shall be deposited in trust with The Royal Trust Company to be held until subscriptions for at least 150,000 shares have been received and paid for to provide the treasury of the Company with a net amount of \$255,000 and no share certificates shall be issued and delivered until then. If this amount is not reached within ninety days of the date hereof all the funds then received shall be reimbursed to the subscribers and the offering discontinued.

Use of Proceeds

The net proceeds to be received by the Company from the sale of the shares offered hereby (up to \$297,500.00) will be used by the Company to pay the expenses of the Company for preparing and filing this prospectus which are estimated to be not in excess of \$15,000.00 and the balance of such funds will be used to finance the exploration programme which has been recommended by the Consulting Engineer of the Company for the mining claims of the Company in the Elliot Lake area of the Province of Ontario, and which exploration programme is described above under the heading "Mining Properties". Until the proceeds are required for such exploration programme they will be invested by the Company in short term marketable securities. The exploration programme recommended by the Consulting Engineer of the Company is estimated to cost \$270,000.00.

Management

Directors and Senior Officers

The names, principal occupations and home addresses of the directors and officers of the Company are as stated below.

<u>Name and home address</u>	<u>Position or office</u>	<u>Principal occupation</u>
Lloyd Tough Chandler, 10 Chemin Simplemont, Lausanne, Switzerland	President and a Director	Mr. Chandler is a prospector, and has been a prospector for the past five years.
Mr. Harry Whitley Andrews, Habitat, Cité du Havre, Montreal, Quebec	a Director	Mr. Andrews has been Executive Vice-President and a Director of Holland, Andrews, Perrier & Co. Ltd., for the past five years.
John Bruce McLellan, 9 Anewen Drive, Toronto, Ontario	Secretary, Treasurer and a Director	Mr. McLellan is a lawyer and a partner in the firm of Messrs. Fraser & Beatty, the solicitors of the Company, and has been associated with that firm for the past five years.

Remuneration of Directors and Senior Officers

No director or senior officer of the Company has received any remuneration for his services as a director or senior officer of the Company and the Company does not propose at the present time to pay any remuneration either to officers or directors as such. However, until recently, all the directors and officers of the Company were solicitors in the firm of Fraser & Beatty, the solicitors of the Company, and the fees of such firm included remuneration for all services performed in respect of the Company by the solicitors of such firm.

Principal Holders of Securities

The following table lists each shareholder who is known to have owned more than 10% of the outstanding shares of the Company on October 15, 1969.

	Type of Ownership	Number of Shares Owned	% of Shares	
			Before this Offering	After Primary Offering Completed
Gemico A.G., Vaduz, Liechtenstein	Record (1)	324,776	23.1% (2)	20.5% (2)
Gemico A.G., Vaduz, Liechtenstein	Beneficial (1)	292,776	21.5% (2)	18.5% (2)
R. D. A. Wills 16 Rue du Roveray 1207 Geneva, Switzerland	Record and Beneficial	160,000	11.4% (2)(3)	10.1% (2)(3)

Note 1: Gemico A.G. is the owner of record of 324,776 shares and owns beneficially 292,776 of such shares.

Note 2: On October 15, 1969 Gemico A.G. held an option to purchase from the Company on or before September 1, 1970, 180,000 shares of the Company at the price of \$1.00 per share. If Gemico A.G. purchases such shares and if the 175,000 shares offered hereby as a new issue are sold to the public then Gemico A.G. would own of record 28.6% and beneficially 26.9% of the outstanding shares of the Company.

Note 3: On October 15, 1969 R. D. A. Wills held an option to purchase from the Company on or before September 1, 1970, 20,000 shares of the Company at the price of \$1.00 per share. If R. D. A. Wills purchases such shares and if the 175,000 shares offered hereby as a new issue are sold to the public then R. D. A. Wills would own of record and beneficially 11.2% of the outstanding shares of the Company.

R. D. A. Wills may offer for sale 100,000 shares of the Company which are the subject of the secondary offering referred to on the cover page of this prospectus. The proceeds realized from the sale of any or all of such shares would accrue to the selling shareholder and the Company would not be entitled to any part thereof. The following table shows the beneficial shareholdings of R. D. A. Wills assuming that the said 100,000 shares comprising the secondary offering are sold to the public.

<u>Name of Principal Shareholder</u>	<u>Percentage of shares beneficially owned after secondary offering</u>
R. D. A. Wills	3.8%

The directors and senior officers of the Company as a group at October 15, 1969 beneficially owned 292,876 shares or approximately 20.8% of the outstanding shares as Lloyd T. Chandler is deemed to own the shares of the Company owned by Gemico A.G.

Options

Gemico A.G., and R. D. A. Wills have options to purchase in the aggregate 200,000 shares of the Company at \$1.00 per share on or before the 1st day of September, 1970. Options to purchase 200,000 shares of the Company at \$0.50 per share on or before the 1st day of September 1969 were also outstanding but on the 28th day of August, 1969 it was agreed that such options would be cancelled if the offering to the public hereunder was proceeded with but that such options could be exercised on or before December 31, 1969 if the shares were not offered to the public as contemplated hereunder.

Interest of Solicitors and Consulting Engineer

Messrs. Robin W. Fraser and John B. McLellan, two partners of the firm of Messrs. Fraser & Beatty, the solicitors for the Company each beneficially and of record own 100 shares in the capital of the Company.

Mr. Leonard J. Cunningham, the Consulting Engineer of the Company, is the beneficial owner of 5,000 shares in the capital of the Company.

Escrowed Shares

The Shareholders of the Company have placed in escrow 1,031,769 shares and have deposited the necessary share certificates with The Royal Trust Company.

<u>Designation of Class</u>	<u>Minimum Number of Shares held in Escrow</u>	<u>Percentage of Class*</u>
Shares	1,031,769	65.2

* Calculated on the basis of there being 1,581,874 shares issued and outstanding following the sale of the 175,000 treasury shares offered hereby.

These shares are subject to release only upon the prior written consent of the Quebec Securities Commission. It is a term of the escrow agreements signed by each shareholder, always subject to approval of the Quebec and Ontario Securities Commissions, that The Royal Trust Company is to issue share certificates evidencing approximately 20% of the shares represented by certificates so deposited during January, 1970 and the balance when the Company completes the drilling of three diamond drill holes in Townships 137 and/or 138 in the Sudbury Mining Division of the Province of Ontario (including the drill hole heretofore drilled in conjunction with Kerr-McGee Corporation) and the drilling of four diamond drill holes in Township 150 in the Sudbury Mining Division of the Province of Ontario (including the drill hole heretofore drilled in conjunction with Kerr-McGee Corporation and the "Big Joe Hole" which the Company deepened through to the basement complex) or October 31, 1970 whichever shall first occur.

It is anticipated, subject to the requirements of the Quebec Securities Commission and the Ontario Securities Commission, that shares will be released from escrow on a pro rata basis.

Promoter

Lloyd T. Chandler of Lausanne, Switzerland is a promoter of the Company. As is mentioned on Page 3, Mr. Chandler was entitled to receive 750,000 shares of the Company as part consideration for mining claims he sold to the Company. These mining claims were staked by or on behalf of Mr. Chandler and he incurred expenses in staking, carrying out aerial surveys and other prospecting and exploration work thereon in the aggregate amount of approximately \$32,600.00 prior to selling the mining claims to the Company under the agreement dated September 25, 1967 which is described on Page 3. Mr. Brian B. Scott of 4 Hillholm Road, Toronto, Ontario was entitled to and did receive 75,000 of such 750,000 shares of the Company; Governors of the University of Toronto received 60,000 of such 750,000 shares; Dagmar Engelland of Rendsburg, Germany received 299,000 of such 750,000 shares; and Gemico A.G. of Vaduz, Liechtenstein received 315,000 shares of such 750,000 shares.

Auditors, Transfer Agent and Registrar

The auditors of the Company are Messrs. Thorne, Gunn, Helliwell & Christenson, 120 Adelaide Street West, Toronto, Ontario. The transfer agent and registrar for the shares of the Company is The Royal Trust Company at its transfer offices at the Royal Trust Tower, Toronto-Dominion Center, in the City of Toronto and at 630 Dorchester Blvd., in the City of Montreal.

Interest of Management and Others in Material Transactions

Mr. Lloyd T. Chandler, President and a director of the Company and who is a promoter of the Company was entitled to a royalty under the agreement dated September 25, 1967 between him and the Company but he has assigned and transferred his rights under that agreement to Brian B. Scott and to Gemico A.G., a company in which he has a greater than 5% interest.

Mr. Harry W. Andrews, a director of the Company, is interested in the arrangements between the Company and Holland, Andrews, Perrier & Co. Ltd., referred to in item 10 under the heading "Material Contracts" in his capacity as a director and shareholder of Holland, Andrews, Perrier & Co. Ltd.

Gemico A.G., a holder of more than 10% of the outstanding shares of the Company on October 15, 1969, released its interest in favour of the Company in respect of certain mining claims abandoned or to be abandoned by the Company, which release is referred to in Item 12 under the heading "Material Contracts", agreed to cancel an option held by it to purchase shares of the Company on certain conditions, which agreement and conditions are referred to in Item 13 under the heading "Material Contracts" and released its Royalty Interest with respect to the Bancroft area mining claims of the Company in consideration for the Company agreeing to pay it and Brian B. Scott 10% of the net proceeds, purchase price or other consideration received by the Company for or in respect of such mining claims, which release is referred to in Item 14 under the heading "Material Contracts".

Prior Sales

During the twelve months prior to October 15, 1969, the Company sold 10,700 shares at \$1.00 per share.

Material Contracts

During the two years prior to October 15, 1969, the Company entered into the following material contracts in addition to contracts in the ordinary course of business.

1. An agreement dated July 6, 1967 between Frank Horne, Roy Pountney, John Bernreitner, Manfred Johnson and Peter Spada and the Company, under which the Company purchased 20 mining claims in the Elliot Lake area of the Province of Ontario.
2. An agreement dated September 21, 1967 between the Company and an individual under which the individual subscribed for 300,000 shares at \$0.20 per share and was granted options to purchase 300,000 shares of the Company on or before September 1, 1968 at \$0.25 per share, 200,000 shares of the Company on or before September 1, 1969 at \$0.50 per share and 200,000 shares of the Company on or before September 1, 1970, at \$1.00 per share.
3. An agreement dated as of the 25th day of September, 1967 between Lloyd T. Chandler and the Company under which the Company purchased 342 mining claims in consideration of 750,000 shares of the Company and a royalty.
4. A letter agreement dated September 29, 1967 between Kerr-McGee Corporation and the Company relating to the drilling of a joint drill hole in Township 150 of the Elliot Lake area of the Province of Ontario.
5. A letter agreement dated February 23, 1968 between Canadian Aero Mineral Surveys Limited and the Company relating to an airborne geophysical survey of mining claims of the Company in the Elliot Lake area of the Province of Ontario.

6. A letter agreement dated May 27, 1968 between Kerr-McGee Corporation and the Company relating to a joint drill hole in Township 137 in the Elliot Lake area of the Province of Ontario.
7. A contract dated July 8, 1968 between the Company and Bradley Bros. Limited relating to the drilling of a diamond drill hole in Township 150 in the Elliot Lake area of the Province of Ontario.
8. An agreement dated July 15, 1968 between the Company and Continental Diamond Drilling Company Limited relating to the drilling of drill holes on the mining claims of the Company in the Bancroft area of the Province of Ontario.
9. A contract dated May 6, 1969 between the Company and Bradley Bros. Limited relating to the drilling of holes on the mining claims of the Company in the Elliot Lake area of the Province of Ontario.
10. An agreement, evidenced by letter dated July 15, 1969, between the Company and Holland, Andrews, Perrier & Co. Ltd., in respect of this offering.
11. Agreements dated February 1968, April 30, 1968 and October 21, 1969 between the Company and its transfer agents and registrars.
12. Releases dated August, 1969 in favour of the Company from Lloyd T. Chandler, Brian B. Scott and Gemico A.G., in respect of mining claims abandoned or to be abandoned by the Company.
13. An Agreement, evidenced by cables and correspondence of August 28 and August 29, 1969, between the Company, Gemico A.G., and an individual cancelling the options held by Gemico A.G., and the individual to purchase in the aggregate 200,000 shares of the Company on or before the 1st day of September, 1969 at \$0.50 per share but agreeing that such options may be exercised on or before December 31, 1969 if shares of the Company are not offered to the public during 1969.
14. An instrument dated August 25, 1969 between the Company and Gemico A.G., and Brian B. Scott under which the Royalty Interest reserved to the vendor of the Bancroft area mining claims of the Company was released in consideration for the Company agreeing to pay Gemico A.G., and Brian B. Scott ten percent of the net proceeds, purchase price or other consideration received by the Company for or in respect of such mining claims.

Copies of the foregoing contracts may be inspected at the head office of the Company, 13th Floor, 320 Bay Street, Toronto, Ontario and at the offices of Holland, Andrews, Perrier & Co. Ltd., Suite 2425, Stock Exchange Tower, Place Victoria, Montreal, Quebec during ordinary business hours during the course of primary distribution of the securities offered hereby.

Shares Sold for Cash

The following shares have been sold by the Company for cash to date:

<u>No. of Shares</u>	<u>Price per Share</u>	<u>Cash Received by Company</u>	<u>Aggregate Commission Paid on Sale of Shares</u>
297	\$.091	\$ 27	Nil
475,000	\$.20	\$ 95,000	Nil
155,340	\$1.00	\$155,340	\$23,301 and 15,534 fully paid shares
10,703	\$1.00	\$ 10,703	Nil

Official Designation of Claims

The following are the numbers of the mining claims of the Company located in the Sudbury Mining Division, Ontario:

In Township 137

S134565 to S134618 inclusive	(54)	S134674 to S134688 inclusive	(15)
S134961 to S134973 inclusive	(13)	S140308 to S140324 inclusive	(17)
S143640	(1)	S143199 to S143206 inclusive	(8)
S143749 to S143774 inclusive	(26)		

In Township 138

S143182 to S143188 inclusive	(7)	S143641 to S143644 inclusive	(4)
S143647 to S143649 inclusive	(3)	S143739 to S143748 inclusive	(10)
S143912 to S143914 inclusive	(3)	S143632 to S143639 inclusive	(8)

In Township 150

S123437 to S123447 inclusive	(11)	S126643	(1)
S127554 to S127560 inclusive	(7)	S130495	(1)
S135635 and S135637	(2)	S136303 to S136305 inclusive	(3)
S136313	(1)	S143171 to S143177 inclusive	(7)
S143189 to S143198 inclusive	(10)		

The following are the numbers of the mining claims of the Company located in the Sault Ste. Marie Mining Division, Ontario:

In Township 155

SSM78997 to SSM78999 inclusive	(3)	SSM79674 to SSM79675	(2)
SSM79678 to SSM79698 inclusive	(21)	SSM79700 to SSM79708 inclusive	(9)
SSM82137 to SSM82144 inclusive	(8)		

The following are the numbers of the mining claims of the Company located in the Eastern Ontario Mining Division:

In Township Cardiff

EO31777	(1)	EO31778	(1)
EO31780 to EO31783 inclusive	(4)	EO32193 to EO32206 inclusive	(14)

In Township Monmouth

EO33837 to EO33844 inclusive	(8)	EO32191	(1)
EO32192	(1)	EO31779	(1)
EO31784	(1)	EO31785	(1)
EO31776	(1)		

Canuc Mines Limited
(Incorporated under the laws of Ontario)

Balance Sheet—July 15, 1969

Assets

Current Assets

Cash	\$ 2,004	
Short-term notes	74,683	
Marketable securities, at cost (quoted market value \$21,175)	17,401	
Accounts receivable	132	\$ 94,220
Mining Claims (note 3)		204,000
Deferred Exploration Expenditures		126,713
		<u>\$424,933</u>

Liabilities

Current Liabilities

Accounts payable and accrued liabilities	\$ 15,197	
Instalment due within one year on long-term debt	25,000	\$ 40,197
Long-Term Debt (note 4)		
Payable on mining claims	29,000	
Less instalment included in current liabilities	25,000	4,000

Shareholders' Equity

Capital Stock (notes 1 and 5)

Authorized—5,000,000 shares, par value \$1 each		
Issued—1,406,874 shares	1,406,874	
Less discount thereon	980,270	
	426,604	
Deficit	45,868	380,736
		<u>\$424,933</u>

Approved by the Board

(Signed) Lloyd T. Chandler, Director

(Signed) Harry W. Andrews, Director

Canuc Mines Limited

Statement of Deferred Exploration Expenditures

	Ten and one-half months ended July 15		Year ended August 31, 1968
	1969	1968 (unaudited)	
Assays	\$ 1,305	\$ 568	\$ 568
Consulting fees and expenses	6,794	2,927	4,474
Diamond drilling	63,763	28,602	39,074
Field expenses	429	—	—
Government fees and licences	171	1,995	1,995
Legal fees	1,500	2,000	2,000
Surveys	140	4,500	4,500
	<u>74,102</u>	<u>40,592</u>	<u>52,611</u>
Balance deferred at beginning of period	52,611		
Balance deferred at end of period	<u>\$126,713</u>	<u>\$40,592</u>	<u>\$52,611</u>

Statement of Deficit

	Ten and one-half months ended July 15		Year ended August 31, 1968
	1969	1968 (unaudited)	
Deficit at beginning of period	\$ 42,755	—	—
Amounts written off:			
Commission on issue of shares	—	\$38,835	\$38,835
Administrative expenses	3,113	2,210	2,268
Incorporation expenses written off	—	1,652	1,652
Deficit at end of period	<u>\$ 45,868</u>	<u>\$42,697</u>	<u>\$42,755</u>

Statement of Administrative Expenses

	Ten and one-half months ended July 15		Year ended August 31, 1968
	1969	1968 (unaudited)	
Administrative fees	\$ 1,130	\$ 1,588	\$ 1,588
Supplementary letters patent	910	—	275
Legal and audit	7,070	4,654	5,279
Miscellaneous expense	163	87	87
	<u>9,273</u>	<u>6,329</u>	<u>7,229</u>
Deduct:			
Interest earned	5,407	3,944	4,786
Dividends received	753	175	175
	<u>6,160</u>	<u>4,119</u>	<u>4,961</u>
Administrative expenses written off to deficit	<u>\$ 3,113</u>	<u>\$ 2,210</u>	<u>\$ 2,268</u>

There were no exploration expenditures or administrative expenses incurred prior to August 31, 1967.

Canuc Mines Limited

Statement of Source and Application of Funds

	Ten and one-half months ended July 15		Year ended August 31,		From incorporation on November 3, 1965 to August 31, 1966
	1969	1968	1968	1967	
	(unaudited)				
Source of funds					
Issue of shares					
Cash	\$10,700	\$215,340	\$215,340	\$35,027	\$3
Settlement of commissions owing	15,534	—	—	—	—
Refund of advance on account of joint drill hole	25,000	—	—	—	—
	<u>51,234</u>	<u>215,340</u>	<u>215,340</u>	<u>35,027</u>	<u>3</u>
Application of funds					
Acquisition of mining claims for cash	—	—	—	25,000	—
Deferred exploration expenditures	74,102	40,592	52,611	—	—
Incorporation expenses	—	—	—	1,652	—
Advance on account of joint drill hole ...	—	25,000	25,000	—	—
Reclassification of current portion of long-term debt	—	—	25,000	—	—
Administrative expenses	3,113	2,210	2,268	—	—
Commission on issue of shares	—	38,835	38,835	—	—
	<u>77,215</u>	<u>106,637</u>	<u>143,714</u>	<u>26,652</u>	
Increase (decrease) in working capital	(25,981)	108,703	71,626	8,375	—
Working capital at beginning of period	80,004	8,378	8,378	3	—
Working capital at end of period	<u>\$54,023</u>	<u>\$117,081</u>	<u>\$ 80,004</u>	<u>\$ 8,378</u>	<u>\$3</u>

Notes to Financial Statements

July 15, 1969

1. Supplementary Letters Patent

By Supplementary Letters Patent dated March 3, 1969

- (a) the authorized capital of the company was increased to 5,000,000 shares with par value \$1 each from 3,000,000 shares with par value \$1 each
- (b) the company was converted into a public company.

2. Change of Year End

The company has changed its fiscal year end from August 31 to July 15, effective July 15, 1969.

3. Mining Claims

20 Claims in the Sudbury Mining Division (Elliot Lake area), Ontario, acquired for \$54,000 (of which \$25,000 was paid to July 15 and \$25,000 paid subsequently, see note 4 for balance) and an agreement to pay a royalty of 1% of the selling price of all uranium oxide produced therefrom. In addition, annual payments of \$12,500 will be required commencing August 15, 1972 until the company starts commercial mining operations or relinquishes the mining claims. At such time as the royalty on production becomes payable the aggregate of any annual payments made shall be applied to reduce the royalties payable on production.

\$54,000

192 Claims in the Sudbury Mining Division (Elliot Lake area), Ontario, 65 claims in the Sault Ste. Marie Mining Division (Elliot Lake area), Ontario, and 34 claims in the Eastern Ontario Mining Division (Bancroft area), Ontario, all acquired for 750,000 shares of the company's capital stock valued at \$150,000 and an agreement to pay a royalty of between 3% and 9% of the selling price of all uranium ore produced and 3% of the net smelter returns for all other minerals produced therefrom. In addition, annual payments equal to the difference between \$50,000 and the total royalty payable in any one year are required commencing January 1, 1975 and continuing until the total royalty payable in any one year equals or exceeds \$50,000 or until the company relinquishes the mining claims. At such time as the royalty becomes payable the company is entitled to retain the amount of the royalty in excess of \$50,000 until the amounts retained equal the total of all annual payments made.

By supplementary agreement dated August 25, 1969 the royalty interest reserved to the vendor of the Bancroft area claims was released in consideration for the company agreeing to pay to the vendor 10% of the net proceeds, purchase price or other consideration received for or in respect of such claims.

150,000

\$204,000

4. Long-Term Debt

Payable on mining claims acquired in the Sudbury Mining Division as follows:

On or before August 15, 1969 (paid)	\$ 25,000
On or before August 15, 1970	2,000
On or before August 15, 1971	2,000
	<u>\$ 29,000</u>

5. Capital Stock

Issued

	No. of shares and par value	Discount	Net
Issued from incorporation on			
November 3, 1965 to August 31, 1966, for cash	\$ 3		\$ 3
Issued during year ended August 31, 1967,			
for cash	175,297	\$140,270	35,027
Issued during year ended August 31, 1968			
for cash	455,340	240,000	215,340
for mining claims	750,000	600,000	150,000
	<u>1,205,340</u>	<u>840,000</u>	<u>365,340</u>
Issued during ten and one-half months ended July 15, 1969			
for cash	10,700	—	10,700
settlement of commissions owing	15,534	—	15,534
	<u>26,234</u>	<u>—</u>	<u>26,234</u>
Balance July 15, 1969	<u>\$1,406,874</u>	<u>\$980,270</u>	<u>\$426,604</u>

Options

At July 15, 1969 there were options outstanding to shareholders to purchase 400,000 shares of the company's capital stock, exercisable as follows:

200,000 shares at \$.50 per share on or before September 1, 1969

200,000 shares at \$1.00 per share on or before September 1, 1970.

By agreement dated August 29, 1969, the optionees have agreed to cancellation of the option on 200,000 shares at \$.50 per share providing that if the shares of the company are not offered to the public during 1969 such option may be exercised up to December 31, 1969.

Offering of shares

The company has agreed to offer through an agent a total of 175,000 shares of its capital stock to net the company \$1.70 per share after commission. If the whole offering is sold the company would receive \$297,500. All monies received will be held in trust and if a minimum of \$255,000 is not received by the trustee, all monies will be returned to the subscribers.

6. Comparison with Annual Statements

Certain expenditures appearing in the annual financial statements to August 31, 1968 have been reclassified to conform with the presentation used in the financial statements for the period ended July 15, 1969.

Auditors' Report

To the Directors of
Canuc Mines Limited

We have examined the balance sheet of Canuc Mines Limited as at July 15, 1969 and the statements of deferred exploration expenditures, deficit, administrative expenses and source and application of funds for the ten and one-half months ended July 15, 1969, each of the two years ended August 31, 1968 and the period from incorporation on November 3, 1965 to August 31, 1966. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at July 15, 1969 and the results of its operations and the source and application of its funds for the period then ended, in accordance with generally accepted accounting principles applied on a consistent basis.

Toronto, Canada
August 5, 1969

(August 25, 1969 as to note 3)
(August 29, 1969 as to note 5)

(Signed) Thorne, Gunn, Helliwell & Christenson
Chartered Accountants

Purchaser's Statutory Rights of Withdrawal and Rescission

Sections 63 and 64 of The Securities Act, 1966 (Ontario) provide, in effect, that where a security is offered to the public in the course of primary distribution,

- (a) a purchaser will not be bound by a contract for the purchase of such security if written or telegraphic notice of his intention not to be bound is received by the vendor or his agent not later than midnight on the second business day after the prospectus or amended prospectus offering such security is received or is deemed to be received by him or his agent, and
- (b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, by commencing an action before the expiration of 90 days from the later of the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by him or his agent.

Reference is made to the aforesaid Act for the complete text of the provisions under which the foregoing rights are conferred.

Certificates

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the Quebec Securities Act.

DATED: November 11th, 1969.

(Signed) Lloyd T. Chandler
*(President, a director and
Chief Executive officer)*

(Signed) John B. McLellan
*(Secretary-Treasurer, a
director and Chief Financial
officer)*

(Signed) Harry W. Andrews
(Director)

Promoter

(Signed) Lloyd T. Chandler

Underwriter

To the best of our knowledge, information and belief the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this Prospectus as required by the Quebec Securities Act.

DATED: November 11th, 1969.

Holland, Andrews, Perrier & Co. Ltd.

by (Signed) Edgar M. Holland

by (Signed) Harry W. Andrews

The following includes the name of every person having an interest directly or indirectly to the extent of not less than 5% in the capital of Holland, Andrews, Perrier & Co. Ltd.: E. M. Holland, H. W. Andrews, A. J. Perrier, H. Zimmermann, M. O. Arnold, J. O. Martin, A. W. Buie, W. N. Coburn, M. G. Birchwood.

